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GOVERNOR'S MAY BUDGET REVISION PROTECTS CALIFORNIA'S NATURAL RESOURCES

Resources Agency budget provides an additional \$162.2 million for marine life protection, species restoration, habitat conservation and parks maintenance

Budget allocates \$500 million for flood protection; \$150 million will be used to repair of critical levee sites

Sacramento – Governor Arnold Schwarzenegger today unveiled his Resources Agency May budget revision that will help protect California's natural resources and conservation programs. The Resources Agency budget provides an additional \$162.2 million for FY 2006/07. The May Revision also includes \$500 million from FY 2005/06 for flood protection; \$150 million will be used to repair critical levee sites.

"Through this budget, Governor Schwarzenegger has made it clear that protecting our natural resources is a top priority," said Secretary for Resources Mike Chrisman. "His leadership in fixing our levees to protect homes and communities, as well as his steadfast environmental record, is second to none and this budget demonstrates that commitment."

Recognizing that state revenues have been higher than anticipated, the Governor's budget proposes to invest part of this temporary revenue in the Resources Agency. The May Revision provides \$50 million in one-time funding for six important activities:

- \$10 million for salmon and steelhead restoration. (Department of Fish and Game.)
- \$10 million for marine life and marine reserve management. (Department of Fish and Game)
- \$10 million for non-game fish and wildlife programs. (Department of Fish and Game)
- \$10 million for deferred maintenance in state parks. (State Parks Department)
- \$5 million for wetlands and riparian habitat conservation. (Wildlife Conservation Board)
- Interest on an additional \$5 million will be used for management of coastal wetlands.

The May Revision also includes \$500 million from FY 2005/06 for flood protection; \$150 million will be used to repair critical levee sites. On February 24 the Governor proclaimed a state of emergency for California's levee system and directed the immediate repair of 29 critical levee erosion sites. The Governor recently gained federal support for expediting federal permits for these projects, so they can be completed by November of this year. Up to 75 percent of this cost would be eligible for federal credit on future projects.

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Resources May Revision 2.

The May Revision proposes \$8.8 million in general fund to repair or prevent damage to levees, habitat, utility lines, roads, private residences, and other property. This will occur in counties that have been declared eligible for federal emergency funding following the severe storms of late December 2005 and early January 2006. Much of the damaged infrastructure belongs to the Department of Fish and Game.

State law provides for reimbursement by the state on a cost-sharing basis to local flood control agencies for all rights of way and relocation costs of channel improvement and levee projects. Budgetary constraints in recent years have prevented local government reimbursement claims from being processed or paid in a timely manner. Claims received or expected to be received by the end of the 2005/06 fiscal year total approximately \$250 million. The May Revision proposes \$100 million general fund to pay a substantial portion of the outstanding claims and \$739,000 in general fund for claim processing.

The Marine Life Protection Act, enacted in 1999, directed the Department of Fish and Game to design and manage a network of marine protected areas in order to protect marine life and habitats, and to improve recreational and educational opportunities provided by marine ecosystems. DFG has begun planning efforts on how to implement the MLPA. The planning process is being accomplished on a regional basis until the entire coast is covered by implementation plans. The May Revision proposes an additional \$2.62 million in general fund to initiate planning for the second phase of MLPA that would cover another portion of the coast.